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**48th Annual DLA Government Audit Workshop
Summary of Legislation from the 2022 Legislative Session
Prepared by the Department of Legislative Audit**

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Summary of Legislation from the 2022 Legislative Session

Objective

- To receive an update on some of the 2022 legislative session bills enacted that may have some ramifications on upcoming audits.

Agenda

- General Discussion of enacted legislation.

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Disclaimer

- *The following is a summary of enacted legislation.*
- *Please review specific changes to South Dakota Codified Laws for actual changes.*

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Government Generally

HOUSE BILL 1075: (In part, not entire bill)

An Act to modify legal and official notice publication requirements.

Requires legal notices published in any newspaper to be placed on a statewide website.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 17-2-1 be AMENDED:

17-2-1. All legal and other official notices shall must be published in a legal newspaper as ~~defined~~ described in this chapter, ~~and the~~. When any legal notice is required by law to be published in any newspaper, the newspaper publishing the notice shall place the notice on a statewide website, established and maintained as a repository for such notices by an organization representing a majority of South Dakota newspapers.

The newspaper shall include a prominent link to the statewide website on the newspaper's website homepage or post all public notices to the newspaper's website in a manner that is accessible and free to the public, if the newspaper maintains a website. The affidavit of publication shall must state that such ~~the~~ newspaper is a legal newspaper, which. The affidavit shall ~~be is~~ prima facie evidence of that fact; ~~and every~~. Each affidavit of publication shall must state in plain terms the fees charged thereon.

...

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Government Generally (Continued)

HOUSE BILL 1075: (In part, not entire bill) – Continued

Section 4. That § 17-2-28 be AMENDED:

17-2-28. If the publication of any notice, minutes, bids, document, or other information is required by law by the state or any municipality, county, or school district, the public notice shall must bear an ~~inscription listing~~ inscriptions that list the approximate cost of the newspaper publication and that the notice may be viewed free of charge on a statewide public notice website maintained pursuant to § 17-2-1. The ~~inscription shall~~ inscriptions must be printed at the top or bottom of the public notice and in the same type size as the body of the public notice.

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Government Generally (Continued)

HOUSE BILL 1046:

An Act to revise the disposal fee for large-scale solid waste disposal facilities operated by political subdivisions.

Exempts political subdivision that own or operate solid waste disposal facilities from the \$3 solid waste disposal fee.

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Municipalities

HOUSE BILL 1076:

An Act to permit certain municipalities to elect aldermen at large.

Allows 2nd and 3rd class municipalities to change how council position are elected.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That chapter 9-8 be amended with a NEW SECTION:

Notwithstanding § 9-8-4, the voters of any second or third class municipality may, by majority vote, choose to elect aldermen to the common council at large using the process provided in § 9-11-6. The voters may revert to electing aldermen by ward in the same manner provided in this section, subject to the waiting period in § 9-11-8.

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Municipalities (Continued)

HOUSE BILL 1275:

An Act to clarify signature requirements on petitions regarding the change of form of government in municipalities.

As the title states – clarifies signature requirements on change of government petitions.

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Municipalities (Continued)

HOUSE BILL 1286: (In part, not entire bill)

An Act to permit municipalities to contribute more to the cost of insurance provided to certain officers or retired employees.

Allows municipalities to contribute up to 100% of the cost of insurance premiums for employees or officers meeting certain requirements and the premiums for Medicare supplemental health insurance.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 9-14-35 be AMENDED:

9-14-35.

... The governing body may pay ~~fifty~~ up to one hundred percent of the cost of the premiums for such insurance for such retired employee or officer who shall have at least fifteen years' service as an employee or officer of the municipality and who shall have participated at least five years, immediately preceding such retirement, in such municipal insurance program. No eligibility requirement applies to any employee or officer who retired as the result of a duty incurred disability. In addition, the governing body of a municipality or a municipal retirement system may, in its discretion, pay up to ~~fifty~~ one hundred percent of the premium for medicare supplemental health insurance for retired employees, officers, their spouses, and the spouses of deceased retired employees and officers if the retired employee or officer had at least fifteen years' service as an employee or officer of the municipality and had participated for at least five years, immediately preceding such retirement, in the municipality's insurance program.

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Municipalities (Continued)

SENATE BILL 90:

An Act to revise certain provisions regarding local building codes.

The bill changes some of the definitions and applicability.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

The text of Senate Bill 90 is available at the following link -
<https://sdlegislature.gov/Session/Bill/23037/235380>

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Municipalities (Continued)

SENATE BILL 101:

An Act to revise provisions regarding the sale or service of alcoholic beverages by persons under the age of twenty-one.

Allows persons under age 21 to bartend under certain circumstances.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 35-4-79.4 be AMENDED:

35-4-79.4. Notwithstanding the provisions of § 35-4-79, any on-sale or off-sale licensee may permit persons eighteen years ~~old~~ or older to sell or serve alcoholic beverages if less than fifty percent of the gross business transacted by the establishment is from the sale of alcoholic beverages, or the licensee or an employee ~~of the licensee~~ that is at least twenty-one years of age is on the premises when the alcoholic beverage is sold or served. For the purposes of this section, the term, to sell or serve alcoholic beverages, ~~does not include~~ includes tending bar or drawing, pouring, or mixing alcoholic beverages. Any person tending bar or drawing, pouring, or mixing alcoholic beverages pursuant to this section must be certified by a nationally recognized alcohol management program.

A violation of this section is a Class 2 misdemeanor.

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Municipalities (Continued)

SENATE BILL 156:

An Act to revise certain provisions regarding census estimates for the purposes of off-sale and on-sale liquor licenses.

Revises the census estimate for liquor licenses to remove the 90% population estimate (effectively making it 100%) and defines or clarifies what information the estimate is based on.

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Municipalities (Continued)

SENATE BILL 162:

An Act to revise the discretionary formula for reduced taxation of new structures and residential property.

Revises the discretionary formula for valuation for taxation purposes for certain new structures and residential property. The change in the law requires the county to adopt a specific formula for 3 specific structures.

See the entire law change at <https://sdlegislature.gov/Session/Bill/22963/235290>

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School Districts

HOUSE BILL 1080: (In part, not entire bill)

An Act to prolong requirements for increasing teacher compensation.

Extends the requirement for teacher compensation to the period of 2019 to 2024, inclusive. Revises base a little.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 13-13-73.6 be AMENDED:

13-13-73.6.

...

For each school district, the district's increase in average teacher compensation from fiscal year 2016 to 2017 shall be equal to at least eighty-five percent of the district's increase in local need, as defined in subdivision (2), from fiscal year 2016 to fiscal year 2017 and, notwithstanding any negotiated agreement, at least eighty-five percent of the increase in state aid to general education funding the school district receives for fiscal year 2017, less the amount of revenue generated in fiscal year 2016, shall be used to increase instructional salaries and benefits for certified instructional staff. If a district fails to comply with the requirements of this section, state aid to general education funding to the district in fiscal year 2018 shall be decreased by an amount equal to fifty percent of the amount calculated in subdivision (2).

...

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School Districts (Continued)

HOUSE BILL 1080: (Continued)

An Act to prolong requirements for increasing teacher compensation.

Extends the requirement for teacher compensation to the period of 2019 to 2024, inclusive. Revises base a little.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 13-13-73.6 be AMENDED:

13-13-73.6.

...

For each fiscal years year from 2019, 2020, and 2021 to 2024, inclusive, if a district's average teacher compensation is less than the district's average teacher compensation in fiscal year 2017, state aid to general education funding to the district in the following fiscal year shall ~~must~~ be reduced by an amount equal to five hundred dollars for each teacher employed in the school district.

A school district may request a waiver from any penalty imposed under this section from the School Finance Accountability Board.

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School Districts (Continued)

HOUSE BILL 1119: (In part, not entire bill)

An Act to revise the general state aid formula to provide adjustment for alternative education students participating in interscholastic activities.

Added additional factor to fall enrollment calculation for state aid purposes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 13-13-10.1 be AMENDED:

13-13-10.1.

...

(2) "Fall enrollment," is calculated as follows:

(a) Determine the number of kindergarten through twelfth grade students enrolled in all schools operated by the school district on the last Friday of September of the current school year, and add to that number the product of 0.10 multiplied by the number of children who participated in the prior school year in high school interscholastic activities sanctioned or sponsored by the South Dakota High School Activities Association, as permitted by § 13-36-7, while receiving alternative instruction pursuant to § 13-27-3;

...

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School Districts (Continued)

HOUSE BILL 1308:

An Act to provide for the payment of signing bonuses to school district staff members.

Opened up the ability of a school district to pay signing bonuses to all school districts staff members. It was restricted to teachers in the previous version.

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School Districts (Continued)

SENATE BILL 59:

An Act to revise property tax levies for school districts and to revise the state aid to general and special education formulas.

Changed various levy limits for school districts:

Max Levy	\$6.62 ^{5/8}	\$6.30 ^{8/10}
Ag. Property Levy	\$1.40 ^{9/10}	\$1.36 ^{2/10}
Owner Occupied Levy	\$3.15 ^{3/10}	\$3.04 ^{8/10}
Special Education Levy	\$1.67	\$1.59 ^{9/10}

(Maximum levy amounts all went down, target teacher salary went up, overhead rate went up and special education disability level amounts went up).

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TIF Districts

House Bill 1197:

An Act to include certain costs as project costs for tax increment financing districts.

Added “over-excavation” and “including use of engineered fill and soil compaction” to TIF Capital Cost definition.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 11-9-15 be AMENDED:

11-9-15. Project costs include:

(1) Capital costs, including the actual costs of the construction of public works or improvements, buildings, structures, and permanent fixtures; the demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and permanent fixtures; the acquisition of equipment; the clearing, over-excavation, and grading of land, including use of engineered fill and soil compaction; and the amount of interest payable on tax increment bonds issued pursuant to this chapter until such time as positive tax increments to be received from the district, as estimated by the project plan, are sufficient to pay the principal of and interest on the tax increment bonds when due;...

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Open Records

HOUSE BILL 1087: (In part, not entire bill)

An Act to revise certain provisions regarding records that are not open to inspection and copying and deliberations in an executive or closed meeting.

Added "Cyber security plans" to exception from open records. Added description allowable to executive session related security plans.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 1-27-1.5 be AMENDED:

1-27-1.5. The following records are not subject to §§ 1-27-1, 1-27-1.1, 1-27-1.3, and § 1-27-1.23:

...(8) Information pertaining to the protection of public or private property and any person on or within public or private property including:

...
(d) ~~Computer~~ Cyber security plans, computer or communications network schema, passwords, or user identification names;

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Open Records (Continued)

HOUSE BILL 1087: (Continued)

Section 2. That § 1-25-2 be AMENDED:

1-25-2. Executive or closed meetings may be held for the sole purposes of:

- ...
(6) ~~Discussing information listed in subdivisions 1-27-1.5(8) and 1-27-1.5(17) pertaining to the protection of public or private property and any person on or within public or private property specific to:~~
- (a) ~~Any vulnerability assessment or response plan intended to prevent or mitigate criminal acts;~~
 - (b) ~~Emergency management or response;~~
 - (c) ~~Public safety information that would create a substantial likelihood of endangering public safety or property, if disclosed;~~
 - (d) ~~Cyber security plans, computer, communications network schema, passwords, or user identification names;~~
 - (e) ~~Guard schedules;~~
 - (f) ~~Lock combinations;~~
 - (g) ~~Any blueprint, building plan, or infrastructure record regarding any building or facility that would expose or create vulnerability through disclosure of the location, configuration, or security of critical systems of the building or facility; and~~
 - (h) ~~Any emergency or disaster response plans or protocols, safety or security audits or reviews, or lists of emergency or disaster response personnel or material; any location or listing of weapons or ammunition; nuclear, chemical, or biological agents; or other military or law enforcement equipment or personnel.~~

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Open Records (Continued)

HOUSE BILL 1087: (Continued)

Section 2. That § 1-25-2 be AMENDED:

1-25-2. Executive or closed meetings may be held for the sole purposes of:

...
However, any official action concerning ~~such~~ the matters pursuant to this section shall be made at an open official meeting. An executive or closed meeting ~~shall~~ must be held only upon a majority vote of the members of the public body present and voting, and discussion during the closed meeting is restricted to the purpose specified in the closure motion. Nothing in § 1-25-1 or this section prevents an executive or closed meeting if the federal or state Constitution or the federal or state statutes require or permit it. A violation of this section is a Class 2 misdemeanor.